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28 October 1960

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

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I. THE COMMUNIST BLOC

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USSR-Turkey:

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the USSR is ready to extend large-scale economic aid of "any type" and "without any conditions" to Turkey and is prepared to show its good will by reducing the Soviet Black Sea Fleet and naval installations in the area.

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The reported statements [redacted] are in line with a number of previous Soviet overtures [redacted] including hints that Moscow is ready to extend credits of up to \$500,000,000 [redacted]

[] Khrushchev suggested [] that their countries establish a demilitarized zone along the border and urged that the USSR and Turkey agree to turn the Black Sea into a "sea of peace." The Gursel regime []

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has thus far displayed reluctance to undertake any new financial obligations or to become involved in any restrictive military arrangements with the USSR.]

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East Germany: [The East German Government, evidently seriously concerned over the potential effects of Bonn's abrogation of the interzonal trade agreement for 1961, has sent a special delegation to Moscow led by the head of the State Planning Commission, reportedly to discuss this matter. Many of the items normally imported from West Germany are essential to key East German industries and at the same time in short supply in the bloc. While East German leaders doubtless are aware of the reluctance among the NATO countries to support an embargo on trade with East Germany, the vulnerability of their economy apparently has stimulated genuine concern over this embargo possibility. The delegation sent to Moscow likely will try to engage the USSR in contingency planning which would involve Soviet acceptance in principle of increased economic aid.] (Page 3)

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II. ASIA-AFRICA

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[REDACTED]

Thailand: [Foreign Minister Thanat Khoman has warned that current Laotian developments may force a reappraisal of Thai foreign policy. Although no early changes in Bangkok's commitments appear to be contemplated, the Thai Government recently has become dubious of SEATO's value as a defensive alliance, and has charged that the uncommitted nations in Asia are receiving preference from the US in economic and military aid over countries aligned with the West.] [REDACTED] (Page 6) *OK*

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[REDACTED]

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III. THE WEST

Venezuela: [The leftist Democratic Republican Union--]

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[REDACTED] reportedly has formed a close alliance with the Communist party and another Marxist group for the purpose of forcing a sharp reorientation of Betancourt's moderately leftist policies, or of ousting him. These three pro-Castro factions have been behind the continuing antigovernment disturbances in Caracas and other cities. Betancourt is taking extensive security precautions, and is believed to have the backing of most of the armed forces, which are on full alert status to support the police and national guard. *OK*

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[REDACTED] (Page 8)

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East German Economic Delegation in Moscow

(A delegation of East German State Planning Commission officials headed by their chief, Bruno Leuschner, arrived in Moscow on 24 October, reportedly to discuss with Soviet officials the probable economic effects of Bonn's notice of termination of the interzonal trade agreement with East Germany and of a possible embargo by NATO countries in support of Bonn. High East German officials are particularly concerned about the effects on the engineering and chemical industries if commodities--primarily steel products and certain types of machinery--currently supplied by West Germany are not obtained elsewhere. These leaders may hope to turn the threat of embargo to their advantage by getting the USSR to review its reported refusal to grant an earlier request for a loan of \$375,000,000 to cover the imports desired for continuation in 1961 of East Germany's ambitious Seven-Year Plan. The refusal has already forced the regime to cut back its 1961 investment program.)

(East Germany reportedly had expected that three fourths of its 1961 foreign trade deficit would be in trade with the West. This would mean that a disruption of interzonal trade would seriously damage the East German economy should the USSR continue to withhold aid. Although businessmen in other free-world countries might be willing to fill the gap left by a cessation of West German exports, East Germany by itself would apparently encounter great difficulty in paying for increased imports from these sources.)

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Foreign Minister Thanat Khoman's suggestion that Thailand may conduct a reappraisal of its cold war position reflects the Thai Government's dissatisfaction with Western handling of the Laotian crisis and with what it terms a more generous Western aid program for uncommitted Asian nations than for outright anti-Communist governments.

Prime Minister Sarit, deeply committed both personally and ideologically to his anti-Communist relative, Laotian General Phoumi, professes disappointment by the lack of SEATO intervention in Laos. He has asserted that a neutral Laos under the Souvanna Phouma government would ensure Communist domination there and bring the Communist threat directly to the Thai border. He also insisted that the failure of the Laotian Government to punish Captain Kong Le for his Vientiane coup threatens the stability of all other Southeast Asian governments.

The Thai Government views the situation in Laos as only the latest in a series of developments which make it less necessary for Thailand to maintain its anti-Communist posture. Like Pakistan and the Philippines, the two other Asian members of SEATO, the Thais have been critical of aid programs extended to neutralist countries. It sees the ability of the uncommitted nations to appeal to both camps for assistance as giving them a special advantage.

In addition to these concerns, the Thais have been troubled by the United States' sales of surplus grain in Asia. The government has charged that these sales have seriously interfered with Thailand's trade and threaten its foreign exchange situation.

Despite Thanat's statement that no early changes in Thailand's foreign commitments are contemplated, a continuation of this restive trend could ultimately lead the Thais to a more neutral international position.

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Approved For Release and Communist Report 75A05300500001-7
Venezuelan Leftist and Communist Report 75A05300500001-7
Alliance Against Betancourt

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[The leftist Democratic Republican Union (URD)--long a dissatisfied component of President Betancourt's three-party coalition--has reportedly formed an alliance with the Venezuelan Communist party (PCV) and the Marxist Leftist Revolutionary Movement (MIR). This would have the purpose of either ousting Betancourt or forcing him to include all of them in a new government, and thus presumably effecting a radical re-orientation of his more moderate leftist policies. These three pro-Castro groups have cooperated closely in recent weeks and have been behind the antigovernment disturbances which have continued in Venezuela since 19 October.]

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[The URD, whose two remaining representatives in the cabinet presented their resignation on 23 October

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may be considering a formal withdrawal from the coalition at all levels and an overt alignment with the leftist-Communist opposition. The party's propaganda line generally parallels that of the PCV and MIR--the latter a group of defectors from Betancourt's own Democratic Action party. The earlier resignation of the URD foreign minister in September over policy toward the Castro regime foreshadowed the crisis which the coalition now faces.]

[The campaign of violence, which has received favorable treatment by the official Cuban press agency, has resulted in a number of deaths and injuries. Betancourt has accused the agitators, who are inciting student demonstrations, of attempting to impose "Cuban methods" in Venezuela. He had earlier indirectly warned the PCV and MIR to cease their subversive activities, and he is unlikely to accede to pressures for inclusion of these factions in a new government. Such a move would probably alienate his own party, the military, and other moderate groups.]

[Betancourt is believed to have the backing of most of the armed forces, now on full alert status to support the police and national guard in quelling the violence, and he is taking extensive security precautions, including the shutdown of all schools except the autonomous national universities. Both the military and moderate groups apparently favor strong measures to prevent further demonstrations.]

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

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